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C O N F I D E N T I A L SECTION 01 OF 03 SHANGHAI 006518

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DEPT FOR EAP/CM NSC FOR WILDER

E.O. 12958: DECL: 10/13/2016

TAGS: PREL PGOV CH KN

SUBJECT: SHANGHAI SCHOLARS ON NORTH KOREA

CLASSIFIED BY: Simon Schuchat, Deputy Principal Officer, , US Consulate Shanghai. REASON: 1.4 (b), (d)

11. (C) Summary: Five of Shanghai's North Korea Scholars told Poloffs that China would support a UN Security Council (UNSC) resolution to punish North Korea, but would oppose including any military action in the resolution. While one scholar said that China might also move its humanitarian assistance from bilateral to multilateral channels, others said that China would not cut back its bilateral assistance; in particular, oil deliveries were already at the minimum level needed to maintain the pipeline. Scholars also said that the nuclear test clearly demonstrated that China had little leverage over North Korea and the United States needed to be flexible if there was any hope of resolving the crisis. Most scholars said North Korean conducted the test to improve their national security and prevent an attack from the United States. One scholar believed that North Korean President Kim Jong-Il had agreed to the test to secure support from the military not only to remain in power but to ensure succession of one of his sons. End Summary.

UNSC Sanctions

12. (C) Shanghai Institute for International Studies (SIIS) Department of Strategic Studies Director Xia Liping told DPO during a lunch on October 12 that China would support "punishing" North Korea through a UNSC resolution, but would not support military action against the DPRK. During a meeting with Poloff on October 12, SIIS Research Fellow Gong Keyu had the same view as Xia and said that China needed to see how these sanctions would be used before it could support them. It was important that any action be effective. She added that China might support military action, if it was focused and short term. There would be no support for an Iraq or Afghan style military action.

¶3. (C) Shanghai Academy of Social Sciences (SASS) Center for Korean Peninsular Studies Director Liu Ming in his conversation with Poloff on October 13 added that if sanctions were too severe, then they would be counterproductive since North Korea was an abnormal country. Instead of giving in, North Korea would react strongly to the sanctions and might accelerate its nuclear program. Xia thought that North Korea might respond to sanctions with another test. Their ultimate goal was a nuclear warhead on a long-range missile, and they had now tested both the missile and the warhead separately – so perhaps they would try to test them together. The low yield of last weekend's test might mean that the test was a failure, but it could also mean that the North's technology was advanced enough to produce a small warhead.

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14. (C) Jiaotong University Shanghai Center for RIMPAC Strategic and International Studies Deputy Director Zhuang Jianzhong in a meeting with Deputy Principal Officer (DPO) and Poloff on October 11, said that China's attitude toward North Korea had changed. North Korea was certainly not a friend of China. China would continue to advise, persuade and criticize North Korea to get it to return to the Six-Party talks, but that the United States should not totally depend on China. SASS Liu went further and asserted that China's leverage over North Korea was limited. The one thing that North Korea wanted was a

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relationship with the United States. It had created the current crisis to get the United States' attention. He urged that the United States be more flexible towards North Korea and find a way to provide the North Koreans with a face saving way out.

15. (C) Xia said that from a strategic perspective, North Korea believed it must have a good relationship with the United States in order to survive. The DPRK saw itself in a similar position to the Yi dynasty at the end of the nineteenth century, too weak to protect itself from Japan, China, or the ROK. It made sense, therefore, to ally with someone far away (the United States); nearby states were always threats, real or potential.

Assistance	Will	Continue

¶6. (C) Most of the scholars said that China would not significantly reduce its assistance to North Korea. Zhuang said that while China might take some economic actions, the assistance China provided was for North Korean people's basic needs. One must differentiate between humanitarian and political assistance. Both Gong and Liu told us that if China cut off its humanitarian assistance, this would only affect the common people and not the North Korean leadership. Liu added that the level of assistance, oil in particular, from China was the minimum needed to maintain the pipeline from North Korea to China. Decreasing assistance would jeopardize the pipeline infrastructure. In addition, China wanted to punish North Korea, but did not want to cut off all relations with the DPRK.

It wanted to leave room for future contact. According to Xia, China would continue humanitarian aid, but might stop providing it on a bilateral basis and instead have it delivered through multilateral agencies.

North Korean Motivations

- 17. (C) Xia told DPO that there was a split in the North Korean leadership, which had influenced the timing of the DPRK nuclear test. The military wanted to develop and test nuclear weapons, while Kim Jong-il was less eager to, preferring to concentrate on economic reform. Kim did not fully control the military, which in turn did not trust him to the same extent that they had trusted his father. Because of concern over succession issues, ${\tt Kim}$ had to give in to the military leadership on the nuclear test. Kim had three sons, none of whom were particularly satisfactory as successors - the oldest was a playboy, the middle was "something like a woman," and the youngest was still too young to be seriously considered as a successor. The military leadership preferred, as successor - or even as leader - Kim's younger brother, who was currently serving as Ambassador to Poland. This younger brother resembled Kim Il-Sung much more than Kim Jong-Il. In any case, because he needed military support both to remain in power himself and to arrange for a succession by one of his sons, Kim had to go along with the military's desire to test its nuclear weapons.
- 18. (C) Xia added that China was very concerned about instability in North Korea and that any general who might succeed Kim would be more hard-line than Kim. Kim was very conscious of threats to his personal security; he refused to fly and when he took trains, frequently changed his plans at the last minute to thwart assassination attempts. Liu had also heard the rumors about succession issues and added that some factions supported Kim's illegitimate son who was adopted by his sister. He said for now Kim was in complete control of North

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Korea and the country was reasonably stable.

- 19. (C) SASS Research Fellow Liu Aming, who participated in Poloff's October 13 conversation with Liu Ming, noted rumors that Kim agreed to the test to please different factions, but believed that the main reason for the test was North Korea's desire to increase its own security. North Korea had learned from the Iraq war that the United State was willing to invade other countries and it believed that if it had nuclear weapons, the United States would not attack it. According to Gong, North Korea felt that having nuclear weapons would make it more equal to the United States in status. Also, since the United States was so fixated on nuclear weapons, even the smallest compromise by North Korea would lead to big concessions from the United States.
- ¶10. (C) All the scholars agreed that the best solution would be to resume the 6-Party Talks. Liu Ming said he was pessimistic about the prospects of restarting talks. He heard that North Korea did not trust President Bush and wanted to wait until the 2008 elections. All scholars hoped that the talks would resume quickly as they were the best way to resolve the crisis.

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